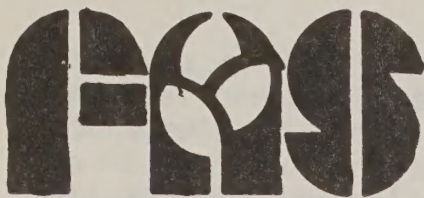


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# REPORT

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE 6 '83

United States  
Department of  
Agriculture  
Foreign  
Agricultural  
Service  
Washington, D.C. 20250  
WR 10-83

WASHINGTON, March 9--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

## GRAIN AND FEED

Continued drought in SOUTH AFRICA has lowered 1983 corn prospects to 7.5 million tons, according to the U.S. agricultural attache in Pretoria. This is 11 percent below the drought-damaged 1982 crop of 8.4 million tons and 1 million below USDA's February forecast. Crop prospects continue to diminish as drought and unusually hot temperatures persist in most areas.

Two disappointing corn crops in a row will severely reduce South Africa's export availabilities. Although the Maize Board is still offering occasional loads for export, reportedly no corn tenders have been accepted recently. Corn exports during the current May-April 1982/83 marketing year possibly could be curtailed to provide a larger carryover cushion for the new season. Continued deterioration in the current crop could eliminate corn exports entirely, a situation that has not occurred in South Africa since the early 1950s. Corn imports also could become necessary in order to maintain domestic consumption levels.

## DAIRY, LIVESTOCK AND POULTRY

WORLD milk production during 1983 is forecast at 396 million tons, 1 percent above 1982. Growth in 1982 was just over 2 percent. World milk cow numbers in 1983 are expected to remain near the 1982 level following a growth of 1 million head last year.

Milk cow numbers in the UNITED STATES may decline slightly during 1983, but another increase in per cow productivity will cause total milk production to increase 1 to 2 percent. In MEXICO, controlled retail prices and short feed supplies are likely to result in a milk production decline. Despite rapidly rising costs and generally stagnant demand, most countries in SOUTH AMERICA will show another small production increase during 1983.

The dairy industry in the EUROPEAN COMMUNITY (EC) faced largely stagnant domestic and foreign demand during 1982. However, higher government-supported prices and excellent feed supplies resulted in a 3.4-percent milk production increase. Current conditions indicate a 2-percent increase is likely in 1983. Feed supply problems in POLAND and the GERMAN DEMOCRATIC REPUBLIC during 1982 resulted in reduced dairy cow numbers which, with continued tight feed supplies, will likely result in small milk production declines in 1983.

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More cows and good forage supplies enabled the USSR to reverse a five-year downward trend in milk production in 1982. With improved feed supplies at the start of 1983, another increase in milk output is likely, but production most likely will be below the 1979 level. Drought in AUSTRALIA and limited export prospects in NEW ZEALAND will keep production in both countries near the 1982 level.

Cow milk and cheese production for selected regions is as follows:

Country/Region	Cow Milk			Cheese		
	1981 1/	1982 1/	1983 2/	1981 1/	1982 1/	1983 2/
	(Million tons)			(Thousand tons)		
United States	60.3	61.6	62.5	1,918	2,010	2,070
EC-10	105.0	108.5	110.8	3,424	3,515	3,566
Japan	6.6	6.8	6.8	10	12	15
USSR	88.9	90.1	92.0	656	665	665
Australia	5.3	5.3	5.3	137	153	157
New Zealand	6.7	6.8	6.8	84	111	123
World total 3/	382.0	390.2	395.6	8,339	8,573	8,720

1/ Preliminary. 2/ Forecast. 3/ Includes 36 countries.

WORLD cheese production is forecast to increase about 1.7 percent in 1983, compared with 2.8 percent in 1982. Slow growth in import markets is one of the prime causes of the lagging production growth. The UNITED STATES and the EC each are expected to contribute about one-third of the production increase.

WORLD production of butter may increase nearly 150,000 tons in 1983, with about 90,000 due to the EC and 40,000 due to the USSR. Butter production in the UNITED STATES and NEW ZEALAND is expected to be little changed from the 1982 level.

With burdensome stocks in most major producing countries, production of non-fat dry milk (NFDm) is expected to increase only about 1 percent in 1983, compared to a near 6-percent increase in 1982. The largest changes are expected in the EC, where much of their increase will be put in intervention stocks, and in NEW ZEALAND, where a substantial production cut is planned.

Nonfat dry milk and butter production in selected regions is as follows in thousand tons:

Country/Region	Nonfat Dry Milk			Butter		
	1981 1/	1982 1/	1983 2/	1981 1/	1982 1/	1983 2/
United States	596	634	635	557	571	570
EC-10	2,010	2,153	2,244	1,919	2,021	2,114
USSR	352	345	348	1,318	1,360	1,400
Australia	61	80	81	79	76	77
New Zealand	181	194	150	247	239	235
World total 3/	4,194	4,431	4,494	5,897	6,074	6,217

1/ Preliminary. 2/ Forecast. 3/ Includes 36 countries.



WORLD casein production in 1983 is forecast at 180,000 tons, 8 percent above the reduced 1982 production. Recovery in NEW ZEALAND is responsible for most of the global increase.

#### COTTON AND FIBERS

The SOVIET UNION reportedly has made substantial cotton purchases in Australia, Central America, India and the United States. Serious quality problems caused by rain, snow and very cold weather midway through the 1982 harvest may have necessitated the purchases. The USSR has a large domestic cotton textile industry and is a large exporter of cotton to Eastern and Western Europe and Japan.

#### TOBACCO

KOREA's Office of Monopoly (OM) recently announced a 1983 tobacco production target of 95,000 tons. This represents a sharp decline from the 1982 revised estimate of 115,173 tons, the largest harvest since 1978. Large stocks carried over to 1983 have apparently influenced the OM's decision to reduce the crop target. A large 1982 crop, fair-to-poor leaf quality due to the June-July drought and lagging growth in domestic consumption resulted in the largest carryover stocks in several years.

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FRANCE's production of flue-cured and burley tobacco in 1983 is forecast by the U.S. agricultural counselor in Paris at 6,000 tons, more than double the 1982 output of 2,600 tons. An unprecedented government subsidy program, totaling \$1 million (\$305 per hectare for burley and \$460 per hectare for flue-cured), will encourage producers to switch planted area from the dark leaf tobacco that accounted for 94 percent of the 38,100-ton crop in 1982.

In addition to grower subsidies, the government will provide an additional \$2 million for research toward production of light tobacco, along with aid for grower investments in tobacco driers. The government's new programs are in response to increasing consumer demand for American-type cigarettes made mostly from imported light tobacco leaf. American-type cigarettes accounted for 35 percent of the total cigarette market in 1981, up from only 5 percent of the market in 1970.

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The WEST GERMAN cigarette market has fallen into disarray because of a large gain in the market share of generic cigarettes from less than 1 percent in December 1981 to about 10 percent by December 1982. All German cigarette makers have reduced prices for one of their brands by 17.1-21 percent to regain the market share from generics.

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KOREA's unmanufactured tobacco exports in 1982 declined 17 percent to 31,610 tons, but the value rose 5 percent to \$105 million. Flue-cured leaf exports--at 19,827 tons--made up nearly two-thirds of total export shipments, rising 28 percent from 1981, while burley exports declined 47 percent to 11,783 tons. One-fifth of the the total leaf exported went to the United States. The 1983 export target has been set at 35,000 tons.

Korea's imports of unmanufactured tobacco in 1982 dropped sharply to 3,900 tons from 12,261 tons in 1981; only 478 tons were from the United States, compared with 4,760 tons in 1981. Abundant stocks and increased production were primary reasons for reduced imports. In addition, efforts are being made to use more domestic leaf to reduce import requirements. The 1983 import target has been set at 3,700 tons.

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INDONESIA's 1982 tobacco leaf imports totaled about 20,000 tons, compared with earlier estimates of 25,000. The United States was the major supplier with 6,000 tons (double the 1981 level), followed by China, Thailand and Taiwan, which supplied approximately 3,000 tons each, and Argentina--2,000 tons. Increased 1982 imports from the United States were an attempt to upgrade the quality of domestically manufactured white cigarettes, which are losing ground to increasingly popular kretek (clove) cigarettes.

#### FRUITS AND NUTS

GREECE's 1982/83 citrus harvest is estimated by the Ministry of Agriculture at 872,000 tons, 8 percent below last year. The decline is attributed to production decreases of oranges and lemons. Production of oranges is placed at 647,000 tons, 8 percent below last season. The lemon crop dropped by 4 percent to 173,000 tons. The tangerine crop is placed at 44,000 tons, up 7 percent from last year. Combined production of grapefruit and other citrus fruit is placed at 8,000 tons in 1982/83, up marginally from a year ago.

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ISRAEL's 1982/83 citrus crop is estimated at 1.3 million tons, 23 percent below the large 1981/82 crop. The estimate reflects a revision of the overly optimistic pre-season forecast by Israel's Citrus Marketing Board, as well as weather losses from January and February storms and cold weather. Fruit quality is reportedly down. Revised estimates for citrus fruits include oranges, down 28 percent from last year to 755,000 tons; grapefruit, down 18 percent to 440,000 tons; tangerines, down 6 percent to 75,000 tons; lemons, down 25 percent to 45,000 tons; and other citrus, unchanged at 2,000 tons.

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Although Israel's export market had been weak prior to late February, recent export sales reportedly are up in response to a citrus freeze in Spain. Citrus exports for the season are now forecast at 701,000 tons, down 12.5 percent from the pre-season forecast. Orange exports are expected to reach 471,000 tons, down 55,000 tons from the earlier estimate. Grapefruit exports, forecast at 190,000 tons, are 30,000 tons less than previously estimated.

#### VEGETABLES

CANADA's Agricultural Products Board (APB) will purchase up to 11,500 tons of yellow onions from Ontario and Quebec to help offset the low prices brought about by a 1982 bumper crop of 139,000 tons in these two provinces. Growers will receive C\$1.50 (US\$1.22) per 50-pound bag. The APB will assume grading, handling and transportation (inland and overseas) costs.

The APB plans to resell the onions in nontraditional export markets. In 1982, Canadian onion exports to traditional markets--the United States (60 percent), the Caribbean region (20 percent) and the United Kingdom (14 percent)--were down 40 percent from 1981 levels. Canadian officials do not expect exports to the United States to increase. U.S. onion imports from Canada were 4,061 tons in 1982, down 39 percent from the previous year. Cost of the purchase and resale program may total US\$810,000.

#### COFFEE, TEA AND COCOA

WORLD coffee production for 1982/83 is estimated at 81.2 million bags (60 kg. each), 1.6 percent below the December estimate and 17 percent below the 97.8 million bags produced in 1981/82. The most significant changes since December were declines in the Ivory Coast, Peru and Indonesia.

Production in AFRICA declined by 860,000 bags to 20 million bags, largely the result of dry weather and bush fires in the Ivory Coast that reduced the crop by 900,000 bags. Small downward adjustments occurred in Kenya and Liberia, while Uganda's estimate was raised by 100,000 bags.

The output for SOUTH AMERICA was reduced by 200,000 bags due to a smaller harvest in Peru, which was cut by sporadic rainfall in the central region and increased insect and disease damage. Production estimates for Brazil and Colombia remain unchanged. Total production in NORTH and CENTRAL AMERICA and the CARIBBEAN remain nearly unchanged from the previous estimate.

In ASIA, Indonesian production is estimated to be down 280,000 bags due mainly to adverse weather.

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Green coffee production for selected countries and regions in millions of 60-kilogram bags is as follows:

	1981/82	1982/83		1981/82	1982/83
North and Central America/Caribbean			Africa		
Costa Rica	1.9	2.3	Ethiopia	3.2	3.4
El Salvador	2.4	2.4	Ivory Coast	4.1	3.9
Guatemala	2.7	2.5	Uganda	2.9	3.0
Mexico	4.1	4.2	Other	10.2	9.7
Other	4.2	4.7	Subtotal	20.4	20.0
Subtotal	15.3	16.1	Asia and Oceania		
South America			India	2.5	2.0
Brazil	33.0	17.8	Indonesia	5.9	5.3
Colombia	14.0	13.5	Other	2.4	2.7
Other	4.3	3.8	Subtotal	10.8	10.0
Subtotal	51.3	35.1	World total	97.8	81.2

#### RECENT FOREIGN AGRICULTURAL CIRCULARS

Reference Tables on the Major Producers and Consumers of Fishmeal and Fish Oil, Supplement 3-83

Copies are available from FAS Information Services Staff, 5918-South, United States Department of Agricultural. The telephone number is 447-7937.



# Selected International Prices

Item	:	March 8, 1983	:	Change from	:	A year
	:		:	previous week	:	ago
		\$ per MT	\$ per bu.	\$ per MT		\$ per MT
ROTTERDAM PRICES 1/						
Wheat:						
Canadian No. 1 CWRS-13.5%*		N.Q.	--	--		N.Q.
U.S. No. 2 DNS/NS: 14%*...	168.75	4.59	+2.25			183.00
U.S. No. 2 DHW/HW: 13.5%..	N.Q.	--	--			197.00
U.S. No. 2 S.R.W.....	150.50	4.10	+2.50			168.00
U.S. No. 3 H.A.D*.....	170.00	4.63	+4.00			183.00
Canadian No. 1 A: Durum*..	185.00	5.03	-0-			201.00
Feed grains:						
U.S. No. 3 Yellow Corn....	137.50	3.49	+4.75			128.75
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--			139.50
Feed Barley 3/.....	N.Q.	--	--			N.Q.
Soybeans and meal:						
U.S. No. 2 Yellow.....	234.60	6.38	+7.10			248.00
Brazil 47/48% SoyaPellets 4/	222.00	--	+7.00			N.Q.
U.S. 44% Soybean Meal.....	205.50	--	--			223.00
U.S. FARM PRICES 5/						
Wheat.....	133.75	3.64	+1.84			132.28
Barley.....	63.38	1.38	+1.38			85.43
Corn.....	103.93	2.64	+2.36			94.88
Sorghum.....	98.32	4.46 6/	+1.54			87.74
Broilers 7/.....	931.44	--	-10.14			1031.09
EC IMPORT LEVIES						
Wheat 8/.....	116.82	3.18	+1.70			89.63
Barley.....	112.99	2.46	-.16			68.42
Corn.....	92.61	2.35	-3.18			100.68
Sorghum.....	91.20	2.32	-2.70			80.75
Broilers 9/.....	313.00	--	-0- 10/			277.00
EC INTERVENTION PRICES 11/						
Common wheat(feed quality)	185.12	5.04	-.24			184.89
Bread wheat.....	203.47	5.54	-.28			212.98
Barley and all						
other feed grains.....	185.12	--	-.24			184.89
Broilers 12/.....	1079.00	--	-12.00			N.Q.
EC EXPORT RESTITUTIONS (subsidies)						
Wheat.....	81.08	2.21	+4.08			67.84
Wheat flour.....	N.Q.	N.Q.	N.Q.			N.Q.
Barley.....	N.Q.	--	--			40.62
Broilers 9/.....	212.00	--	-0- 13/			173.00
Sugar, refined 15/.....	403.89	--	+12.11			N.Q.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Nine-city average; wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects exchange rate change and not level set by EC. 11/ Reflects change by EC effective Feb. 1, 1983 from 31.8 ECU's/100 kg. to 33.15 ECU's/100 kg. \*\*Reflects exchange rate change only. 12/ F.O.B Price for R.T.C. Whole Broilers at West German border. 13/ Subsidy increase reflects change by EC Effective Feb. 1, 1983 from 20.50 ECU's/100 kg to 22.50 ECU's/100 kg. 14/ F.o.b. price for whole R.T.C. broilers at West German border. 15/ The week of Feb. 24-Mar. 2. Based on 38.067 ECU's per 100 kgs. N.Q.=Not quoted.

Note: Basis March delivery. \* April-May.

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